

Sent: Wed, 21 Mar 2018 08:20:54 -0700
Subject: Case 2:19-cr-00877-CCC Document 39-3 Filed 02/11/20 Page 1 of 4 PageID: 686
From: [REDACTED]
To: [REDACTED]
Cc: BitClub Network

This is sounding good. :)

On Wed, Mar 21, 2018 at 8:18 AM, [REDACTED] wrote:

That's Good.

The entity will need to be set up ASAP so you can place the deposit Into escrow with a Letter of Intent to Purchase at the agreed price.

I would allow 30 days from start to finish.

Yes the aircraft will do both medical and executive flights and it will pick up all the work that the 605 has been doing.

The aircraft would be based in both Seletar and Halim. If you were not using it for two or three weeks we would have it in Singapore to pick up the work from there. If you were doing several flights from Jakarta over a week or two then it would stay in Jakarta. As you know we get work out of Jakarta as well.

24 hours notice would be sufficient for Asian flights. Dubai or China would require around 72 hours, sometimes less.

If it was booked then you could decide whether to cancel the booking and use the aircraft yourself or let the aircraft take the booking if it was a good revenue flight. you could look at it on a case by case basis depending on how much work the aircraft has already done leading up to your flight. We always have a clause in our charter contracts that we can replace it with another aircraft if the original one is not available.

You could also take the Lear at a reduced rate if you had small numbers and wanted your aircraft to earn a good revenue flight.

CONFIDENTIALITY CAUTION:

This email is only for the use of the person or entity to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, any distribution, copying or dissemination of this email is strictly prohibited. If you have received this email in error, please contact the sender immediately and delete the email. Thank you!

On 21 Mar 2018, at 9:56 PM, [REDACTED] wrote:

I have my lawyer already setting up an entity to buy it with. How long does it take to go through the buying process?

Do you think keeping the jet busy won't be a problem?

Where is it best to keep it based?

How much advanced notice would be needed when I want to fly?

What do I do if it is booked but I want to fly on that date?

GOVERNMENT
EXHIBIT
C

On Wed, Mar 21, 2018 at 7:47 AM, [REDACTED] wrote:

Hi [REDACTED]
Yes the numbers work because they are the actual numbers which we are proud of.

I would strongly advise you to spend 4mil for your first aircraft, break even earlier and then think about something bigger in the future.

I want your first experience as an owner to be a positive and rewarding one.

Best,



CONFIDENTIALITY CAUTION:

This email is only for the use of the person or entity to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, any distribution, copying or dissemination of this email is strictly prohibited. If you have received this email in error, please contact the sender immediately and delete the email. Thank you!

On 21 Mar 2018, at 9:32 PM, [REDACTED] wrote:

So if I think of it as \$5000 per hr to fly the jet one year at 140 hrs would be \$700,000 I don't spend out of pocket and you think I could make back almost \$300,000. So if it is a \$4mill jet it would take 3 years of flying to break even roughly. This is better than what I was thinking it would be. :)

Also does it make sense to spend \$4 mill or \$8mill for a newer one. It doesn't seem like that much of a difference but over 4 - 8 years could be a huge difference. What is your opinion on this?

On Wed, Mar 21, 2018 at 3:20 AM, [REDACTED] wrote:

Hi [REDACTED]

Please find attached a cost to revenue report for the Challenger for last year.

I have also answered your questions below in Red.



CONFIDENTIALITY CAUTION:

This email is only for the use of the person or entity to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, any distribution, copying or dissemination of this email is strictly prohibited. If you have received this email in error, please contact the sender immediately and delete the email. Thank you!

Hey [REDACTED]

I'm adding my business partner on this, his name is Matt.

A few questions...

1. How much will landing fee's be on average here in Asia? Jakarta and [Singapore](#) are USD1,500 on average, Beijing is USD15,000, Hong Kong is USD7,000
2. What do you think the average monthly maintenance costs will be? See Attachment
3. What will it cost to operate per hour of flight? Gas and Pilots? See Attachment. Fuel is USD1,000 per hour. We pay the fuel when we charter the aircraft. Pilots are USD1000 per pilot day when you fly. You dont pay them when we charter the aircraft.
4. Older aircraft are cheaper even if they look nicer same as cars. :)
Do maintenance costs really go up that much with age? Definately yes. Maintenance inspections become more intense and frequent including thorough x-rays monitoring metal fatigue.
5. How much monthly can we make renting it out? See Attached
6. On average how much do you think I will make or have to spend if I fly 140 hrs for a year. Including everything, money in money out. it will cost you US401,488.95 plus pilot costs of around USD72,000 so with a revenue of USD764,429.49 (attached) you have paid for all your private flying and cleared USD290,940.55.

Trying to figure out if it makes sense to buy one or just rent for another year or 2 before I get one.

My guess is I will need to fly 2000 hours to break even. I'm hoping my math is way off. As you can see we sold 441.3 hours so adding your 140 hours usage you are still in front.

Thanks

On Wed, Mar 14, 2018 at 8:28 AM [REDACTED] wrote:

[REDACTED]
The only differences are that the 605 cabin windows are slightly bigger and the cockpit is upgraded. Everything else is the same and there is no justification to pay 8 mil for a 605 when you can pay 4 mil for a 604 that does exactly the same thing.

Bluebook is a market guide on current retail prices of the specific aircraft in that year range. Other than Service Bulletins and Airworthiness Directives, it doesn't take into account the latest maintenance status of the aircraft.

I have attached a real sweet 604 with all maintenance checks completed. We can buy it for low 4"s or better.

The first one I sent you is asking too high because they have wifi installed.

This one attached is a jem! If you want wifi you can install it for 250k and you are still in front by a long long way!

CONFIDENTIALITY CAUTION:

This email is only for the use of the person or entity to whom it is addressed and may contain information that is privileged

On Wed, Mar 14, 2018 at 2:22 AM, [REDACTED] wrote:

Now we are getting somewhere. :) Looks nice
What is the difference between this and the 605?
What is all the blue book info? Is it a good deal even if it is 18 yrs old.

On Tue, Mar 13, 2018 at 6:49 AM, [REDACTED] wrote:

[REDACTED]
Attached is a Challenger 604 at good buying. Basically identical to our 605 with 12 seats and 9 hours range. Older but also half the price of the 605. Interior has been refurbished. Nice machine!

Asking USD4.9mil



CONFIDENTIALITY CAUTION:

This email is only for the use of the person or entity to whom it is addressed and may contain information that is privileged and confidential. If you are not the intended recipient, any distribution, copying or dissemination of this email is strictly prohibited. If you have received this email in error, please contact the sender immediately and delete the email. Thank you!